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**First Maritime Mining  
Corporation Limited**

(No Personal Liability)

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**Annual Report**

For the year ended December 31,

**1975**

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**ANNUAL MEETING OF SHAREHOLDERS**

The annual meeting of shareholders  
will be held on Thursday, June 3rd, 1976  
at 2:30 o'clock in the afternoon  
(Saint John time)  
in the Golden Ball Building,  
Saint John, New Brunswick.

# First Maritime Mining Corporation Limited

(No Personal Liability)

Incorporated under the laws of New Brunswick on December 30, 1955

## DIRECTORS

R. J. ISAACS. . . . . Islington, Ontario  
A. G. KIRKLAND. . . . . Saint John, New Brunswick  
D. A. MACFARLANE. . . . . Saint John, New Brunswick  
DR. A. L. McALLISTER. . . . . Fredericton, New Brunswick  
L. McC. RITCHIE. . . . . Saint John, New Brunswick

## OFFICERS

L. McC. RITCHIE. . . . . *President*  
A. G. KIRKLAND. . . . . *Vice-President*  
D. A. MACFARLANE. . . . . *Secretary and Treasurer*  
MRS. M. JONES. . . . . *Asst. Secretary*

## HEAD OFFICE

GOLDEN BALL BUILDING. . . . . Saint John, New Brunswick

## MINE OFFICE

GULLBRIDGE MINES. . . . . Badger, Newfoundland

## AUDITORS

COOPERS & LYBRAND. . . . . Saint John, New Brunswick

## TRANSFER AGENT

GUARANTY TRUST COMPANY OF CANADA. . . . . Toronto, Ontario

# First Maritime Mining Corporation Limited

(No Personal Liability)

## **DIRECTORS' REPORT TO THE SHAREHOLDERS**

We are pleased to submit herewith the consolidated financial statements of the Corporation for the year 1975 together with the auditors' report thereon to the shareholders.

The mining plant of the Corporation's subsidiary at Gullbridge, Newfoundland has been maintained intact and under continuous supervision. The dock at Wolf Cove which was retained up until March of this year has now been returned to government authorities.

An amount of \$49,467 was spent on exploration at the Gullbridge property and although some encouragement was initially encountered, diamond drilling which was done on the property indicated no areas of significant mineralization.

Your Corporation continues to hold 1,766,353 shares of Brunswick Mining and Smelting Corporation Limited having a cost of \$5,154,530. Earnings of Brunswick Mining in 1975 have been reported at \$12.5 million (36.7c per share) compared with \$17.1 million (49.9c per share) which the company reported in 1974. It must be remembered that 1975 was a difficult year for all mining companies with metal prices and metal consumption being at relatively low levels. Dividends totalling 10c per share were received during the year.

There has been no change in the Board of Directors for the current year and all Directors are standing for re-election.

On Behalf of the Board  
L. McC. RITCHIE,  
President.

March 31, 1976



## COOPERS & LYBRAND

CHARTERED ACCOUNTANTS  
801 BRUNSWICK HOUSE  
SAINT JOHN, N. B., CANADA

### AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of First Maritime Mining Corporation Limited (No personal liability) and subsidiaries as at December 31, 1975 and the consolidated statements of earnings and deficit and source and use of working capital for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Subject to the fact that, as stated in note 2, fixed assets of Gullbridge Mines Limited are carried at amounts which may be in excess of realizable values, in our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1975 and the results of their operations and the source and use of their working capital for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

COOPERS & LYBRAND

Chartered Accountants

January 23, 1976

# First Maritime Mining Corporation

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## CONSOLIDATED BALANCE S

### ASSETS

	1975 \$	1974 \$
<b>Current Assets</b>		
Cash and short-term deposits. . . . .	55,246	182,675
Accounts receivable. . . . .	914	3,182
Prepaid expenses. . . . .	714	2,157
	<u>56,874</u>	<u>188,014</u>
<b>Investments</b>		
Shares in Brunswick Mining and Smelting Corporation Limited — at cost (note 3) 1,766,353 shares — quoted value \$6,712,000 (1974 — \$6,448,000). . . . .	<u>5,154,530</u>	<u>5,154,530</u>
<b>Fixed Assets</b> (notes 2 and 3)		
Land, mining grants and mining licenses — at nominal value. . . . .	2	2
Buildings, equipment and surface structures at cost less accumulated depreciation. . . . .	<u>1,730,510</u>	<u>1,738,218</u>
	<u>1,730,512</u>	<u>1,738,220</u>
<b>Deferred Expenditures</b>		
Materials and supplies — at estimated realizable value. . . . .	141,520	167,488
	<u>7,083,436</u>	<u>7,248,252</u>

Signed on behalf of the Board:

L. McC. RITCHIE, Director

D. A. MACFARLANE, Director

# imited and Subsidiary Companies

Liability)

T AS AT DECEMBER 31, 1975

## LIABILITIES

	1975 \$	1974 \$
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities. . . . .	57,596	37,891
Current portion of long-term debt. . . . .	<u>2,000,000</u>	<u>2,000,000</u>
	<u>2,057,596</u>	<u>2,037,891</u>
<b>Long-Term Debt</b> (note 3)		
11½% convertible debentures due June 30, 1976 — secured. . . .	2,000,000	2,000,000
Less: Current portion. . . . .	<u>2,000,000</u>	<u>2,000,000</u>
	<u>—</u>	<u>—</u>

## SHAREHOLDERS' EQUITY

<b>Capital Stock</b> (note 3)		
Authorized —		
7,000,000 shares of \$1 par value		
Issued and fully paid —		
5,371,280 shares. . . . .	5,371,280	5,371,280
<b>Contributed Surplus.</b> . . . .	8,766,794	8,766,794
<b>Deficit.</b> . . . .	<u>(9,112,234)</u>	<u>(8,927,713)</u>
	<u>5,025,840</u>	<u>5,210,361</u>
	<u>7,083,436</u>	<u>7,248,252</u>



# First Maritime Mining Corporation Limited and Subsidiary Companies

(No Personal Liability)

## CONSOLIDATED STATEMENT OF EARNINGS AND DEFICIT

For the year ended December 31, 1975

	1975 \$	1974 \$
<b>Income</b>		
Dividends. . . . .	176,635	176,635
Interest. . . . .	<u>6,262</u>	<u>2,058</u>
	<u>182,897</u>	<u>178,693</u>
<b>Expenses</b>		
Mine costs. . . . .	38,772	45,507
Wharf (note 4). . . . .	29,750	29,750
Administration costs. . . . .	19,429	26,553
Interest on debentures. . . . .	230,000	238,606
Exploration. . . . .	<u>49,467</u>	<u>25,112</u>
	<u>367,418</u>	<u>365,528</u>
<b>Loss before the following. . . . .</b>	<b>184,521</b>	<b>186,835</b>
Loss on disposal of fixed assets. . . . .	<u>—</u>	<u>88,924</u>
	<u>184,521</u>	<u>275,759</u>
Profit on sale of investments. . . . .	<u>—</u>	<u>310,909</u>
<b>Net Earnings (Loss) for the year. . . . .</b>	<b>(184,521)</b>	<b>35,150</b>
<b>Deficit—Beginning of Year. . . . .</b>	<b><u>8,927,713</u></b>	<b><u>8,962,863</u></b>
<b>Deficit—End of year. . . . .</b>	<b><u><u>9,112,234</u></u></b>	<b><u><u>8,927,713</u></u></b>
<b>Earnings (Loss) per share. . . . .</b>	<b><u><u>(.03)</u></u></b>	<b><u><u>.01</u></u></b>



# First Maritime Mining Corporation Limited and Subsidiary Companies

(No Personal Liability)

## CONSOLIDATED STATEMENT OF SOURCE AND USE OF WORKING CAPITAL

For the year ended December 31, 1975

	1975 \$	1974 \$
<b>Source of Working Capital</b>		
Sale of fixed assets. . . . .	7,708	81,600
Decrease in other assets. . . . .	18,585	1,749
Sale of investments. . . . .	—	798,216
	<u>26,293</u>	<u>881,565</u>
<b>Use of Working Capital</b>		
In operations. . . . .	<u>177,138</u>	<u>186,835</u>
<b>Change in Working Capital Position. . . . .</b>	<b>(150,845)</b>	<b>694,730</b>
<b>Working Capital (Deficiency) — Beginning of year. . . . .</b>	<b><u>(1,849,877)</u></b>	<b><u>(2,544,607)</u></b>
<b>Working Capital (Deficiency) — End of year. . . . .</b>	<b><u>(2,000,722)</u></b>	<b><u>(1,849,877)</u></b>

# First Maritime Mining Corporation Limited and Subsidiary Companies

(No Personal Liability)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 1975

### 1. Basis of Consolidation

The consolidated financial statements include the accounts of Gullbridge Mines Limited and Little Bay Power Corporation Limited.

Little Bay Power Corporation Limited did not operate during the year.

### 2. Fixed Assets

Gullbridge Mines Limited closed its mine on December 5, 1971. At this time it is not practical to estimate the realizable value of fixed assets of Gullbridge having a book value of \$1,730,510, as follows:

	1975 \$	1974 \$
Buildings, equipment and other surface installations — at cost.....	5,101,955	5,115,509
Accumulated depreciation.....	<u>3,371,445</u>	<u>3,377,291</u>
	<u>1,730,510</u>	<u>1,738,218</u>

No annual provision for depreciation has been made since 1971.

In 1972 Gullbridge Mines Limited wrote off fixed assets with a cost of \$1,145,969 and a net book value of \$435,287. These represent dams and surface equipment at the site of the closed mine.

### **3. Long-Term Debt and Capital Stock**

#### **(a) Convertible debentures —**

1. The \$2,000,000 11½% convertible debentures are secured by a floating charge on the company's assets and by a first mortgage on the mining property and/or mining interest of the company's wholly-owned subsidiary, Gullbridge Mines Limited.
2. By agreement between the company and the debenture holders, the due date of the debentures was extended from December 31, 1975 to June 30, 1976. The conversion privilege of the debt is on the basis of one share for each \$.95 principal amount of debenture equivalent to 2,105,263 shares. Should the holders of the debentures request a full conversion of their securities into common shares, the company would be required to increase its authorized capital by approximately 500,000 shares.
3. Under the terms of the above agreement the company's shareholding in Brunswick Mining and Smelting Corporation Limited may be sold, mortgaged or otherwise disposed of only if written consent of not less than 80% of the debenture holders is obtained.

#### **(b) Outstanding agreement —**

Falconbridge Nickel Mines Limited, under existing agreements, has the right to participate to the extent of one-third of any future financing which might be arranged by the company.

### **4. Wharf Expense**

Since year end, the company has given notice to the Government of Canada that it will make no further instalment payments on cost of the wharf; consequently, it will abandon its right to title on full payment.

### **5. Remuneration of Directors and Senior Officers**

Total direct remuneration paid or payable to directors and senior officers for 1975 amounted to \$600.

### **6. Anti-Inflation Act**

As the company's shares are listed on the Toronto Stock Exchange, it is subject to Part 3 of the Anti-Inflation Act Regulations respecting dividends.





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**FIRST MARITIME MINING  
CORPORATION LIMITED**  
(No Personal Liability)

**INTERIM REPORT  
TO SHAREHOLDERS**

**Six months ended June 30, 1975**



# FIRST MARITIME MINING CORPORATION LIMITED

(No Personal Liability)

P. O. Box 937, Saint John, N. B.

## INTERIM REPORT TO SHAREHOLDERS Six Months Ended June 30, 1975

	1975	1974
<b>CONSOLIDATED STATEMENT OF EARNINGS</b> (Subject to audit)		
Investment income .....	\$ 92,518	\$ —
Expenses:		
Operating costs .....	9,336	13,229
Mine maintenance .....	15,563	21,818
Interest .....	115,203	127,912
Wharf payment .....	29,750	29,750
Exploration .....	9,592	5,082
	<u>179,444</u>	<u>197,791</u>
Net loss for the period (excluding extraordinary items) .....	\$ 86,926	\$ 197,791
<b>CONSOLIDATED STATEMENT OF SOURCE AND USE OF FUNDS</b> (subject to audit)		
Source of funds:		
Sale of supplies .....	\$ 981	\$ 1,214
Sale of 167,000 shares of Brunswick Mining and Smelting Corp. Ltd. ....	—	801,600
	<u>981</u>	<u>802,814</u>
Use of funds:		
For operations .....	86,926	197,791
Repayment of convertible debentures .....	—	500,000
	<u>86,926</u>	<u>697,791</u>
Increase (decrease) in working capital .....	(85,945)	105,023
Working capital (deficiency) at beginning of year (excluding the Company's outstanding convertible debentures) .....	150,123	(44,607)
Working capital at end of period (excluding the Company's outstanding convertible debentures) .....	\$ 64,178	\$ 60,416
<b>MARKETABLE SECURITIES EXCLUDED FROM WORKING CAPITAL</b>		
1,766,353 shs. Brunswick Mining and Smelting Corp. Ltd. - at cost .....	\$ 5,154,530	\$ 5,154,530
Quoted market value at June 30 .....	\$ 7,065,000	\$ 7,154,000

During the second quarter, a dividend of \$88,318 (5c per share) was received by First Maritime from its investment in Brunswick Mining and Smelting Corporation Limited. It is hoped that further income will be provided from this source.

Exploration is continuing on the Gull Pond property of Gullbridge Mines Limited and will be reported on at a later date when the work is completed.

Saint John, N.B.  
July 31, 1975

L. McC. Ritchie  
President